

Data on Foreign Trade of Communist China

The Soviet Union released information recently in the May 1958 issue of Foreign Trade (Vneshnyaya Torgovlya) which indicated that trade between Communist China and the USSR in 1957 amounted to \$1,282 million, a 12 percent decrease compared to 1956 (\$1,460 million). This decrease in trade is accounted for almost entirely by a 24 percent reduction in Soviet exports to China. It is believed that military and strategic goods have assumed the burden of reduced Chinese imports from the USSR in 1957. As a result, Communist China achieved an export surplus in trade with the USSR amounting to \$194 million in 1957. This surplus will help China meet its annual installments on loans from the USSR, which in 1957, amounted to \$152 million. During the period 1950-57, the Chinese received loans and credits from the USSR estimated at \$1,325 million of which about two-thirds (\$820 million) represented military loans. The military loans were probably short-term obligations accounting for the greater portion of Chinese debt repayment of \$454 million to the USSR during 1954-57. In 1958 Chinese loan repayments to the USSR are expected to amount to \$185 million.

Communist China has reexported natural rubber (imported from the free world) to the Soviet bloc since the 5 year Sino-Ceylonese rubber-rice agreement was signed in 1953. In 1957

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China imported about 115,000 tons of natural rubber from the free world. China's domestic rubber requirements accounted for about 55,000 tons and the remaining 65,000 tons was probably reexported to the Soviet bloc with two-thirds exported to the USSR and the residual to the European satellites. The USSR has already purchased 90,000 tons of rubber from the free world during the first 5 months of 1958. It is expected that rubber imports from China, therefore, will not exceed those of last year and probably will be somewhat less. However, China's imports of rubber in 1958 should reach the level attained last year and reexports to the European satellites should remain about the same as in 1957.

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